



DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

[Docket No. FR-5630-N-06]

Rental Assistance Demonstration (RAD) – Updated Application Review and Commitments to Enter into Housing Assistance Payment Contracts (CHAPs) Issuance Process for First Component RAD Transactions

AGENCY: Office of the Assistant Secretary for Public and Indian Housing, and Office of the Assistant Secretary for Housing – Federal Housing Commissioner, HUD.

ACTION: Notice.

SUMMARY: As a result of increased authority granted to HUD in the Consolidated and Further Continuing Appropriations Act, 2015 (P.L. 113-235, approved December 16, 2014) (FY 2015 Appropriations Act) to convert public housing and moderate rehabilitation (Mod Rehab) program assistance under the first component of RAD for a total of 185,000 units, HUD will review all applications on the waitlist and begin issuing CHAPs in accordance with this notice to maximize the effectiveness of the proposed conversion of assistance. HUD welcomes comment on the update of the review process provided in this notice.

DATES: Comment Due Date: [INSERT DATE THAT IS 30 DAYS FOLLOWING THE DATE OF PUBLICATION IN THE FEDERAL REGISTER.]

ADDRESSES: Interested persons are invited to submit comments regarding this notice. Communications must refer to the above docket number and title. There are two methods for submitting public comments. All submissions must refer to the above docket number and title.

1. Submission of Comments by Mail. Comments may be submitted by mail to the Regulations Division, Office of General Counsel, Department of Housing and Urban Development, 451 7th Street, SW, Room 10276, Washington, DC 20410-0500.

2. Electronic Submission of Comments. Interested persons may submit comments electronically through the Federal eRulemaking Portal at www.regulations.gov. HUD strongly encourages commenters to submit comments electronically. Electronic submission of comments allows the commenter maximum time to prepare and submit comments, ensures timely receipt by HUD, and enables HUD to make them immediately available to the public. Comments submitted electronically through the www.regulations.gov website can be viewed by other commenters and interested members of the public. Commenters should follow the instructions provided on that site to submit comments electronically.

Note: To receive consideration as public comments, comments must be submitted through one of the two methods specified above. Again, all submissions must refer to the docket number and title of the notice.

No Facsimile Comments. Facsimile (FAX) comments are not acceptable.

Public Inspection of Public Comments. All properly submitted comments and communications submitted to HUD will be available for public inspection and copying between 8 a.m. and 5 p.m. Eastern Time weekdays at the above address. Due to security measures at the HUD Headquarters building, an advance appointment to review the public comments must be scheduled by calling the Regulations Division at 202-708-3055 (this is not a toll-free number). Individuals with speech or hearing impairments may access this number through TTY by calling the Federal Relay Service at 800-877-8339. Copies of all comments submitted are available for inspection and downloading at www.regulations.gov.

FOR FURTHER INFORMATION CONTACT: Janet Golrick, Acting Director of the Office of Recapitalization, Office of Housing, Department of Housing and Urban Development, 451 7th Street, SW, Washington, DC 20410-7000; telephone number 202-708-0001 (this is not a toll-free

number). Hearing- and speech-impaired persons may access these numbers through TTY by calling the Federal Relay Service at 800-877-8339 (this is a toll-free number).

I. Background and Explanation

The Consolidated and Further Continuing Appropriations Act, 2012 (Pub. L. 112-55, approved November 18, 2011) limited the conversion of 60,000 public housing and Mod Rehab units under the first component of RAD.¹ The applications for RAD conversions under the first component exceeded this unit cap and an applicant waiting list started in approximately October 2013. HUD published this waiting list on the RAD website, www.hud.gov/rad.²

The FY 2015 Appropriations Act increased the RAD first component authorization to 185,000 units. For all applications that fall below the 185,000 unit cap, HUD will provide CHAPs to all eligible applicants whose applications meet the eligibility and selection criteria set forth in PIH Notice 2012-32, Rev. 1 (2012 RAD Notice).³ HUD understands that some applicants may need to amend or update information in their applications because of the delay incurred in awaiting further authorization. To the extent that an application is complete and meets the eligibility and selection criteria set forth in the 2012 RAD Notice, HUD will issue a CHAP for that application. To the extent that review of an application requires additional or updated information, that application will be held until the needed information is provided.

HUD understands that some applicants have been waiting in excess of one year on the waiting list and may be approaching financing deadlines. HUD will review applications as expeditiously as possible and reserves the right to proceed with its review of applications in the

¹ The first component of RAD allows projects funded under the public housing and Mod Rehab programs to convert to long-term Section 8 rental assistance contracts with their current subsidy levels under the RAD demonstration program.

² RAD Wait List for RAD's first component as of November 20, 2014:

http://portal.hud.gov/hudportal/documents/huddoc?id=PendingRADApps_103114.pdf

³ See link to 2012 RAD Notice: <http://portal.hud.gov/hudportal/documents/huddoc?id=pih2012-32rev1.pdf>

manner it deems most expedient. HUD may consider deal-specific factors including program financing requirements in determining the order with which it processes applications.

Applications that require a CHAP by a certain deadline in order to secure project financing may be reviewed prior to other applications in order to maximize resources and support the successful conversion of all transactions. Following CHAP issuance, HUD will assign a Transaction Manager to the transaction who will be able to address any questions or concerns regarding the conversion process.

II. Opportunity for Public Comment

HUD welcomes comment on the update of the review process provided in this notice.

Date: January 22, 2015.

Jemine A. Bryon, Acting Assistant Secretary for
Public and Indian Housing.

Biniam T. Gebre, Acting Assistant Secretary for
Housing – Federal Housing Commissioner.

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